



THE

January, 1957

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# Credit Union

*Bridge*

OFFICIAL PUBLICATION OF THE CREDIT UNION NATIONAL ASSOCIATION, INC.

## ON THE COVER

More schools are finding student credit unions are a popular and useful activity. They help children to save, and they make certain studies, such as arithmetic, easier to teach.

# The Credit Union

*Bridge*

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## COMING SOON

Setting pay rates for credit union employees  
The tax equality racket  
Payroll deduction—good or bad?



## ***IT'S A WISE MEMBER . . .***

*who knows how to use his credit union . . .*

*when to borrow . . . how much to save . . .*

A member of a steelworkers' credit union needed a thousand-dollar loan. He needed it badly. He would lose his house if he didn't complete the scheduled payments within five days. For three years, he had made his payments regularly under a land contract. If he could make the final big payment now, he could convert to a conventional mortgage; and from then on it would be smooth sailing. But if he failed to make it, the house would go back to the man he bought it from.

The trouble was, there was a steel strike on. He had no income. No ordinary lending agency would make him a loan. How was he going to borrow enough to save his house?

You guessed it: he got the money from his credit union.

Every day in the week, credit unions are helping their members with problems like this. This is typical credit union service. You can't get it anywhere else. It explains why ten million people in the United States and Canada belong to credit unions. It explains why management and labor, government officials and church leaders, farm spokesmen and educators have endless words of praise for credit unions.

What's so different about a credit union? Why does it do such a good job? Why is it the best place to borrow for the vast majority of middle-income Americans and Canadians?

Why is it a good place to save money? How should a member go about getting the biggest benefits from his credit union?

The answers to these questions mean a lot to you as a credit union member. After all, you own this thing—you're not just a customer. You control it, you can count on it in a way that you can't depend on any other financial service. Commercial lenders tighten up or loosen up from time to time, depending on business conditions, but your credit union's lending policy is based on just one consideration: the needs of the members.

Borrowing has become a normal part of most people's lives today.



Once it was considered reckless to borrow for any but the most urgent necessities. In recent years, it has become clear that a family can furnish its home better by buying on credit than it could by saving carefully in order to pay cash for everything. Superficially, this doesn't make sense; everybody knows it's cheaper to buy for cash. But in actual life, money that is not committed has a way of disappearing. Where it goes, nobody knows. But we all have had the same experience—you plan to save a certain amount for a certain purpose, the months pass, other temptations come along, and at the end of the allotted time you haven't saved half what you expected to. This fact, which has deep roots in human psychology, is the basic justification of installment buying.

The fact that nearly everybody today—certainly, nearly every young couple—is willing to borrow has made a big difference in our lives. People are getting married younger, buying homes earlier, having more children. More cars are being sold. More of other high-priced things are also being sold—television sets, motor boats, home power tools. It is safer to own a home today than it used to be, because home mortgages are now paid on an installment basis; and there are millions more home owners than there used to be.

#### How much for credit?

Credit is widely available for these purposes. Furniture and appliance dealers, auto dealers, banks, loan companies, jewelry stores, air lines, encyclopedia publishers, department stores—all of these and many more are eager to sell you goods and services on the installment plan. It is rarely possible for you to tell how much you are paying for the product and how much you are paying for credit. In addition, today more and more dealers are beginning to add insurance charges or special service fees. In 1957, you can expect to see rising credit costs in many lines, including automobiles. You won't see any shortage of consumer credit, however, because that is about the most profitable credit there is, carrying the highest rates.

If you are puzzled about the cost of an installment purchase, the thing to do is to add up the total cost of all the payments and subtract the cash price of the product. This will tell you how



much extra you are paying in dollars for the privilege of credit. Your credit union treasurer will be glad to tell you how much the same amount would cost you as a credit union loan for the same period—in dollars. On a large purchase, you are likely to save quite a chunk through the credit union. There is almost nothing that isn't cheaper with credit union financing. In your credit union, you can always tell how much you are paying for your loan.

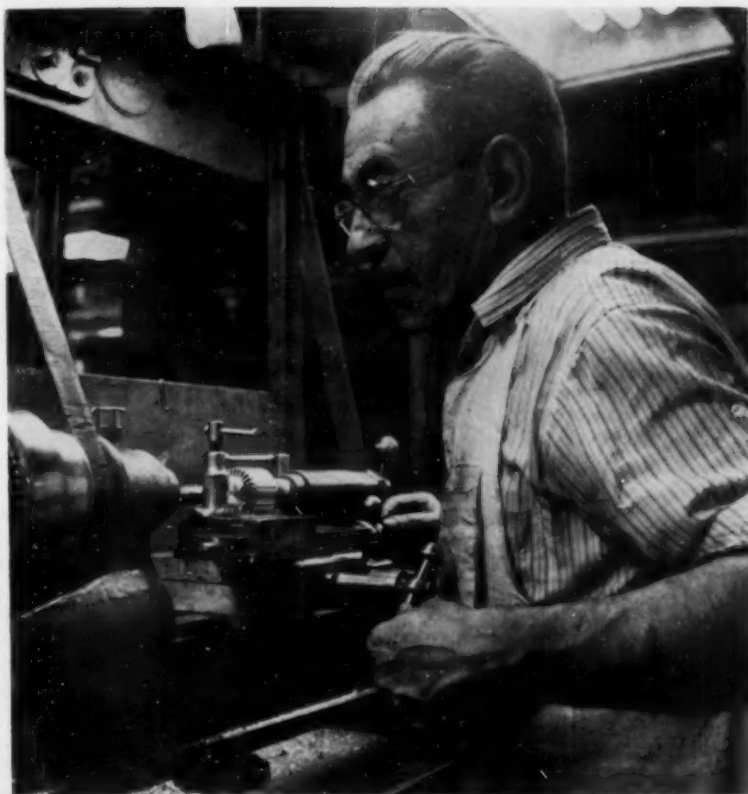
However, that's only part of the benefit of credit union membership. Equally important to you is the help that your credit union will give you in a real emergency. When you are ill, when you are temporarily out of work, when bad luck hits you—that's the time when you are particularly lucky to be a credit union member. Medical bills, an accident, a layoff or strike—these are situations in which your credit union is uniquely helpful. We should all have something saved up to take care of such problems, but how many do? Especially, how many young couples just getting started in life? Where can you go for this kind of help, outside of your credit union?

#### **They're not all alike**

Credit unions are not all alike. Some are very small, with only fifty or sixty members. Some are large, with as many as thirty thousand members. They are all incorporated under credit union law, but credit union laws differ in some respects; limits on loans and requirements on security may be different from one credit union to another.

However, all credit unions are alike in basic essentials. They are all non-profit membership organizations, which means that their costs are low and that they do not compete with commercial lending agencies. They all are run by boards of directors elected by the members and serving without pay. The credit committee and supervisory committee are also unpaid. The main security your credit union depends on when it makes you a loan is your character; additional security required on larger loans, such as co-makers or a chattel mortgage, is secondary in importance. The officers, incidentally, are sworn to keep the members' dealings with the credit union confidential.

Even when you make full use of the credit union's loan service, you





are still getting only half the benefits unless you also use the savings program.

How much you can save, how much you ought to save, is never easy to answer. How much you should save, like how much you can afford to borrow, depends on your personal situation. Pension plans, social security payments, part-time work of some sort, contributions from your children, old-age assistance, may take care of you in your old age; but if you don't know now how much income you can expect in your old age, you'd better start figuring. Only self-employed people nowadays, like doctors and farmers, need to save heavily nowadays—and most of them do. But everybody has to save something, unless he has already set aside a small fortune.

You need savings for these reasons:

1. To take care of emergencies. Everybody should aim at having about six month's income in a standby fund, ready to draw on. If you keep this in your credit union under life savings insurance, you have the equivalent of an insurance fund equal to one year's income.

2. For special purchases. The

Christmas Club idea is a good savings plan, and you should save in the same way for other purposes—for example, taxes and insurance premiums. It's up to you to decide whether you can buy major purchases this way, such as your car and large appliance items. Maybe you can; if so, it will save you substantial interest expenses.

3. For long-range purposes. Your children's education and your old age are the two most obvious reasons for saving steadily over a long period of time. This kind of saving you may do in a pension plan, in bonds and insurance as well as your credit union, if your income permits.

For most people, the big problem in saving is how to put the money away before it gets spent. The convenience of the credit union helps solve this problem. For industrial and other employee groups, the credit union is right at hand when the paycheck is cashed. Deposit what you can immediately, and you protect yourself from the temptation to spend more than you should. Payroll deduction helps where it is available, but it isn't necessary. Members who take the plunge and force themselves to save a dollar or two from every

paycheck soon find that it is not only easy but actually enjoyable. After all, every cent of the money you spend goes to somebody else—the money you save all belongs to you. There is a great satisfaction and peace of mind that comes to anybody who saves regularly, even if it is only a few dollars a year.

If your budget is tight, you may think saving is impossible. Saving large amounts undoubtedly is. But your credit union is the only savings institution that is anxious to help you save small sums. It might embarrass you to take a dollar to the bank—you might not feel it was worth the bother. But it won't embarrass you at the credit union, and it's no bother at all. Your credit union offers a real thrift service, not a service for big investors.

Saving is a habit. It takes a certain amount of will power. But anybody who gets the habit will be grateful to himself and to his credit union all his life. Many members say, "I never saved a cent until I joined the credit union."

Dividends paid on members' share accounts vary from one credit union to another. Generally, they are higher than interest paid by banks and equal

What your monthly social security payments will be, according to the present schedule, when you reach 65:

If your average monthly pay has been	For you alone	For you and wife
Under \$55	\$30	\$45
\$100	55	83
150	69	103
200	79	118
250	89	133
300	99	148
350 up	109	163

(This is all subject to technical interpretations and new acts of Congress; if you have questions about your status, by all means get in touch with the nearest social security office.)

How much monthly income you can buy for the rest of your life with your savings at the age of 65. Based on the "pure annuity" rates

of a leading insurance company.

If you invest this amount of savings	Income Per month to you
\$ 5,000	\$ 27.83
10,000	55.66
15,000	83.49
20,000	111.32

(Social security was established in the United States not with the aim of providing an adequate old age income, but to provide the sort of base on which a modest amount of savings would make some degree of comfort possible. Maybe these two tables will help you figure out how much you ought to save. . . . But don't forget to provide something for emergencies.)

Some of the purposes for which credit unions make loans—

- Medical bills
- Down payment on home
- Home repairs and improvements
- Taxes
- Insurance bills
- Furniture
- Appliances
- Automobiles
- Vacations
- Clothing
- Weddings
- School bills
- Sports equipment
- Farm needs
- Television sets
- Help friends
- Tools, equipment
- Funeral expenses
- House trailers
- Christmas gifts

to or better than dividends paid by savings and loan associations. In a well run credit union, where the members understand the services and make full use of them, the interest rate on loans can sometimes be reduced by a refund to borrowers at the end of the year while the dividends are maintained at 3 percent or thereabouts.

Two unusual credit union services are now being widely imitated: loan protection and life savings insurance. Over twenty years ago, the credit unions of the United States and Canada organized their own insurance company to provide these services. Today many commercial lending agencies also insure loans, so that they may be paid off when borrowers die, although many of them make an extra charge for this service. Credit unions, however, were the first to use this kind of insurance widely, at no extra charge. Life savings insurance, introduced by the credit union movement, adds life insurance to members' savings, matching them dollar for dollar within certain limits. This, also, is now being imitated by a growing number of commercial banks, although it has not spread very far as yet. To-

gether, loan protection and life savings insurance give you many reasons for concentrating your borrowing and your thrift program in the credit union.

When you come right down to it, the success of your credit union depends on you as a member. You elect the officers who run it—and unless you give it your support, it will not have any great measure of success. But if you understand it, use it and tell your friends about it, it will grow strong and be a tremendous help to all its members.

#### Some Tips:

If you find yourself in a spot where you can't pay your bills, what should you do? First, if you're not too far behind, pay a little bit on each one—as much as you can. As long as you are trying to catch up, the people to whom you owe money will not push you too hard. Second, if you can't catch up but keep falling behind, you might try to reorganize your debts with a loan from the credit union to pay them all off. Third, don't let it get you down. For a credit union member who really wants to get things straightened out, there's sure to be a way. Talk it over

with your credit union treasurer—he's seen practically every kind of problem there is, and can give helpful advice.

If you find it hard to save, this story might interest you. There once was a credit union member who was always borrowing and never seemed to save any money in the credit union. One day when he came in for a new loan, the treasurer asked him about it and suggested that he try to save a little. "It doesn't work for me," the member said. "Whenever I know I have cash in the credit union, I get restless until I've spent it. But I've found another way to save. I keep borrowing money and buying land with it. I like land, I never want to sell it. I rent it to farmers, and at this point I've got quite a big savings program."

The advantages of doing all your borrowing in the credit union: 1. You have only one bill to pay each month. 2. If your credit union has loan protection insurance, all your debts may be covered. 3. If it's necessary to refinance or get a new loan, it can be done without necessarily increasing your monthly payments. 4. If you are sick or laid off, you won't be worried by mobs of creditors.

# *Your Legal Rights as a*

## **THERE IS LITTLE OR NO LEGAL PROTECTION FOR THE BORROWER WHO SIGNS A CONTRACT WITHOUT READING IT**

**T**HE art of borrowing has developed faster than the law, and the law is still trying to catch up.

When you borrow, or when you buy on the installment plan, you may be protected by the law or you may not. In the past, laws protected creditors better than borrowers, and it was simple common sense to say to yourself, "Let the borrower beware!" In recent years, however, there has been a steady trend toward giving borrowers better protection, through the regulation of rates, through the restriction of garnishments, and by many other methods.

Laws affecting borrowers vary from state to state and from year to year. There are still big gaps. Where you might expect to find some sort of law, there may be none at all. In the United States, consumer credit has grown from seven billion to forty billion dollars since 1939, but the laws covering rates and practices have changed very little. In some states, if you pay off an installment sale contract ahead of time, you are entitled to a refund of finance charges; in others you are not. In one state it is lawful to sign a contract for a small loan providing an interest rate of 5 percent per month; in another it is unlawful to charge as much as 1 percent per month.

Hence a lot depends on where you live. Only an attorney well acquainted with the laws of your state or province can tell you all you may need

to know about the legal problems you may run into as a borrower. But this article may give you an idea of some of the factors to look out for.

There are many ways in which you may become a debtor. For example:

1. You may borrow money. If you borrow a dollar or two from a friend, you probably don't sign a note of any kind. His only security is your desire to keep on friendly terms with him. If you refuse to repay, there is usually nothing he can do about it. But if you borrow fifty dollars from your credit union, you will be asked to sign a note. This changes the situation entirely, and makes it possible for the credit union to collect through the courts if necessary. Your signature on the note is good security, because your character and your property are involved in it. Your signature loan is not an "unsecured" loan, even though sometimes it is called that. On the contrary, it is secured by your character, and character is the basic security in all credit transactions. A man of poor character finds it hard to get a loan anywhere, even when he offers excellent tangible security. But in addition to your character, your signature loan also may be secured by your pay and your property. If you become delinquent, your paycheck may be stopped or your property may be attached.

2. You may buy goods and charge them. Maybe you do this at a de-

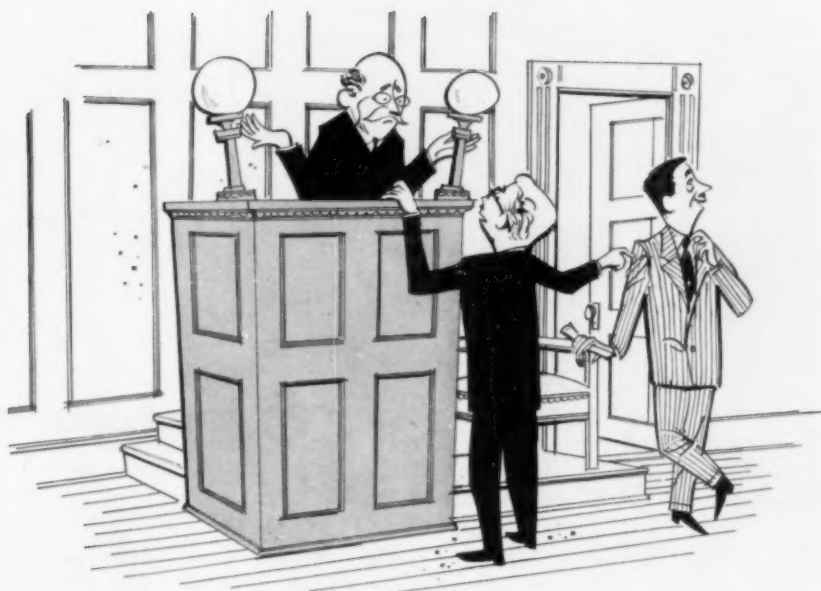
partment store. Maybe you charge groceries at the corner grocery store. Maybe you have a charge account at the gas station or drug store. You may sign for the goods you buy, and you may not. In a corner grocery, the arrangement is usually completely informal—the grocer collects no legal evidence from his charge customers. When customers refuse to pay, the grocer is usually stuck—and neighborhood grocers commonly write off large amounts of uncollectible accounts. Naturally, this raises the cost of doing business, and stores with charge account service usually charge somewhat higher prices than competitors who sell for cash.

3. You may buy goods on the installment plan. Here you are buying more expensive products than potatoes and coffee. It would not be practicable for your grocer to ask you to sign a chattel mortgage when you charge a bag of potatoes, but auto dealers and furniture dealers commonly protect themselves by using chattel mortgages and conditional sales contracts. The difference between these is not great—both permit you to drive your car or use your refrigerator without owning it. You become the owner when you make the last payment. The dealer can repossess the car or refrigerator if you miss a payment.

4. You may co-sign a note for a friend, and he may default. Once he defaults on the note, you become just



# Borrower



as obligated to pay it as he was; you have become a debtor and can be required to make his payments in his place. If you do so, then he becomes your debtor in turn, and you are entitled to collect from him whatever you have paid on his loan.

5. A court may find you guilty of negligence and issue judgment against you. You may have hit a pedestrian, you may have started a brush fire that got out of control, a stranger may have tripped on a loose board on your front porch and broken his pelvis. When the judgment has been issued, the sheriff may appear and attach enough of your property to satisfy the claim.

6. You may become liable for debts contracted by your wife or child. Generally, a man is not responsible for debts contracted by his wife before their marriage. After their marriage, however, he is generally liable for her debts, even those that she may incur by buying something that he doesn't want her to buy. As for children, in most states a minor's debts cannot be enforced in the courts. However, it is increasingly held that if a minor contracts debts for necessities, such as food, clothing or shelter, they are legally enforceable and can be collected from the parents.

These are only a few of the ways in which you can become a debtor. Fortunately, debt does not usually mean trouble. The majority of

debtors borrow for good purposes and pay more or less promptly. They get real value from the credit they use, and they are not seriously handicapped by their indebtedness.

But there are various ways a borrower can get in trouble, and every borrower should know how to protect himself.

1. You may fail to make a scheduled payment. This is not necessarily serious. Many auto and furniture dealers take it for granted that borrowers will find it difficult to stick strictly to the repayment schedule. If you fall behind a month or two on a two-year contract, you will probably not be bothered. However, you should be aware of the fact that as long as you are behind in your payments, your car or furniture may be repossessed or your paycheck may be garnisheed. Reputable dealers don't like to do these things, and of course your credit union will give you every possible break.

2. You may fail to keep your mortgaged house in good condition. This is a special case, which most people don't stop to think about. However, it is worth knowing that there are three ways in which you may be judged delinquent in your home mortgage: you may fail to make a regular payment, you may fail to pay your taxes or insurance, or you may let the house run down so badly that it no longer adequately secures the loan.

3. You may sell property on which there is a lien. As long as there is a chattel mortgage or conditional sales contract on your car or your furniture, you do not own it and you cannot legally sell it. If you should sell it, you would become immediately liable for the entire amount of the loan. Sometime you may want to sell your car and pay off your loan: if you do, notify the credit union or dealer beforehand.

Probably the commonest problem that you are likely to run into is unexpected bills that make it hard for you to keep up your monthly payments. A sudden illness may cut off your income and cost you a lot of money besides. Your car may suddenly need expensive repairs not covered by your insurance. Your child may need an operation. If you have already borrowed up to the hilt, this means trouble; but it need not be serious trouble.

The first thing you should do is let your creditors know how things stand. Write them a note, or drop in and see them, saying something like this: "I'm having trouble paying my bills this month, due to unexpected illness (or layoff at the plant, or whatever it was). I'm sending you two dollars on account for the present. I hope this situation will be straightened out in a month or two, and will resume regular payments as soon as I can." Most of your creditors will play ball with you.



Repossession of your car may take place without your knowledge, since you don't own it till you've paid for it.

But if you don't cooperate with them, they will begin to worry. Here are some of the things they may do:

1. They may sell any goods you have left on pledge. While jewelry, fur coats, musical instruments and typewriters are more commonly pledged with pawnbrokers than with other lenders, occasionally banks and even credit unions accept this kind of security. The laws governing pawnshops are usually quite specific and require the pawnbroker to delay for some time before selling your pledge. But there isn't much law to say how a credit union or bank shall proceed.

2. They may repossess your car or furniture, and sell it. Generally, dealers don't like to repossess if they can avoid it. It's bad public relations for them. Besides, while the market for used cars is good, the market for most other used products is poor. Nevertheless, a dealer who sees the months go by with no payments being made is going to do something about it; and there are some dealers who will repossess fast. Repossession laws are variable and complicated, and it is hard for the borrower to know his rights. It's commonly legal for the lender to come and haul away his car in the middle of the night, while the borrower sleeps. If the subsequent sale doesn't pay off the total debt and costs, the borrower is still liable for the balance.

3. They may collect from your co-makers. If you have borrowed with a co-maker as security, the co-maker becomes liable for your debt as soon as you have missed a payment. Most lenders, including most credit unions, will notify the co-maker as soon as your loan is delinquent. They will not try to collect from co-makers, however, until you have shown that you are unable to pay your loan or refuse to pay it.

4. They may garnish your pay. Garnishment laws vary considerably, and some states have no garnishment laws at all. However, in most areas, a lender is empowered to stop your paycheck if you have missed a payment, until some arrangement for paying the debt has been worked out. Your employer is required, under the law, to cooperate with your creditor. Often, the law permits the lender to do this to you without giving you any notice; and if you actually were unaware that you were delinquent, you may be seriously inconvenienced.

5. They may sue you and obtain a judgment against you. Your creditors can collect from you in this way not only the total amount of your debts, plus interest, but also their costs. When your property is sold to satisfy the judgment, you may still owe some unsatisfied portion of the debts and the judgment may continue in force for years.

6. They may attach your property. This is a step sometimes taken

by creditors when they suspect that the borrower is about to skip. It can be done before any suit has been heard in court and before any judgment against you has been delivered. However, it involves a risk for the creditor: if the court later fails to support his claim against you, you can then turn around and sue for damages.

7. They may agree to a composition. When a debtor obviously cannot pay all his debts, creditors will sometimes agree to settle for reduced amounts. This is not uncommon where a borrower's intentions are good and his luck has been bad. Credit union treasurers will often take the initiative in helping a distressed member reach such an agreement with his creditors.

8. They may force you into bankruptcy. There are two kinds of bankruptcy—voluntary and involuntary. You may resort to voluntary bankruptcy in order to protect yourself. Involuntary bankruptcy protects your creditors: if they suspect that you are trying to cheat them, or planning to skip, or favoring one creditor over the others, they may ask the court to declare you bankrupt and divide your property among them.

9. They may throw you in jail. Although imprisonment for debts is no longer legal, you can still be jailed if you use fraudulent methods to avoid paying your debts after a judgment or court order has been issued against you. You are being jailed, in such a case, for contempt of court.

If all this sounds formidable, remember that you are protected in many ways. Some of your protection has nothing to do with law. You are protected against repossession, for instance, by the fact that a dealer does not like to get a reputation for making repossessions a habit, especially repossessions of household goods. You are protected against being sued for small amounts by the fact that it doesn't usually pay. You are protected against one of the hazards of being a co-maker by loan protection insurance, which pays loans of credit union members who die or are disabled. Here, also, are some of the forms of protection that the law provides:

1. Interest rates and finance charges are regulated. There is nothing consistent about the way they are regulated, but at least in most areas

there is a ceiling on them. Every state has a usury law, which sets the legal rate. Then most states and provinces have various exceptions permitting lawful higher rates for certain kinds of credit. Credit union rates are almost universally pegged at 1 percent per month on the unpaid balance. Small loan companies are usually granted a higher ceiling, since they have higher overhead costs and lower maximum loan limits. Finance charges on cars and furniture are still unregulated in many jurisdictions. It is worth knowing that if you can prove that you have been charged unlawful interest, the interest charge will often be cancelled. In some states, the entire loan will be cancelled.

2. Repossession and the sale of repossessed property are hedged around with restrictions. For example, in some states if you have paid more than half the value of the goods, the sale must be public; but if you have paid less than half, then the sale may be private. If the sale produces a surplus over the amount of your loan, you are entitled to the difference—just as you are still liable to pay the balance if a deficit results. There are other restrictions on the lender: he may not resort to forcible entry of your home, for example, and he may not use physical violence.

3. There is an exemption or subsistence allowance provided for the borrower under most garnishment laws. This usually must be taken care of automatically by your employer when he holds up your paycheck. The amount of the exemption varies from state to state, and the employer sometimes is not required to do anything about it unless requested to by the employee; but generally the exemption is firmly established in the law. There is a similar exemption provided for your protection in judgment proceedings and bankruptcy: you are usually entitled to keep certain kinds of property which you need in order to live decently, such as a kitchen range and a bed. In some areas, your car may be exempt from seizure if you need it in your work. So may certain other kinds of property, such as your family Bible.

4. You are also protected by the statute of limitations. You cannot be sued for debts that have been inactive or dormant for a certain period of time. The time period varies greatly



Your creditors will not be allowed to seize property that is essential for living, such as your bed and kitchen range.

from state to state: it may be two years, it may be twenty years.

5. You may protect yourself by voluntary bankruptcy or by one of the wage-earners' amortization plans provided in the Federal Bankruptcy Act or various state laws. Going through this procedure, you can wipe the slate clean and start again.

6. If a creditor oversteps his legal rights, you may sue him for damages, for malicious prosecution, for fraud, for a triple refund of interest or various other remedies provided by the law. Only an attorney can tell you, of course, whether you have a good case.

Yet there are still ways in which you are not protected, and if you are careless, you may get into trouble from which the law will not extricate you. There will never be so much legal protection provided for borrowers that they can afford to go about with their eyes closed. Here are some things you ought to keep in mind:

1. If you sign a conditional sales contract before the blanks have been filled in, there is nothing to stop an unscrupulous dealer from filling in higher prices than he said he would. Once your signature is on such a document, there is nothing you can do about it but pay.

2. Similarly, if you sign a slip that you think is some sort of receipt

and it turns out later to be an assignment of your wages, you have your feet squarely in a trap. The law does not protect you against signing things without reading them.

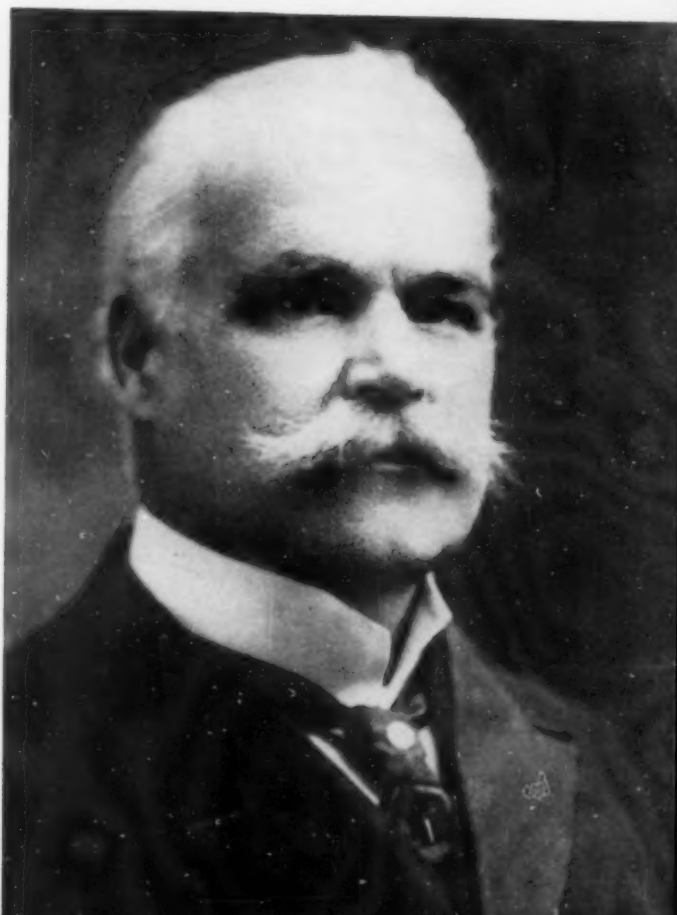
3. In many states today, there is no law regulating what finance charges may be inserted in a sales contract. There is also no law regulating what sort of charges may be added for insurance, investigation fees, and so on. Generally speaking, the law allows wide latitude to two parties who are drawing up a contract, so long as each party gets something out of it. If you let somebody else draw up a contract, which you sign without reading, you can't expect the courts to rescue you.

This article gives you a smattering of information, but of course if you have a real problem you need more local information. For ordinary common sense advice, you can consult your credit union treasurer: he has seen a lot of problems, and picked up a lot of useful information. When it comes to legal advice, only an attorney can help you. If you don't know an attorney, no doubt your credit union treasurer can recommend one.

You can avoid many legal pitfalls, as well as save money, by buying with cash borrowed from your credit union.



*108 years of experience*







**STAND BEHIND YOUR  
CREDIT UNION'S SERVICE TO YOU!**

The first credit unions were organized among German farmers 108 years ago. In Canada, credit unions first appeared among the parishes of Quebec. Alphonse Desjardins (left) set up one in a frame house (upper left corner), then went on to organize many more among French-speaking Canadians. In the United States, merchant Edward A. Filene (with pipe) endowed the Credit Union National Extension Bureau, which organized credit unions in many parts of the United States and Canada. Roy F. Bergengren and Thomas W. Doig took leading parts in this pioneering work.

Gradually, employees in many industries learned to run credit unions and help each other through emergencies. Utility employees, fishermen, steel workers and government employees were a few of the many new credit union members. There are now more than ten million members in the United States and Canada.





Today in many parts of the world, people are asking for advice from the credit union movement of North America in organizing credit unions to solve their problems. Many credit unions have become large efficient organizations with modern offices and large office staffs. But basically, every credit union is still a volunteer group organized for service among friends and neighbors.



# INSURANCE

*for the  
average family*



*Thanks to developments in group insurance and the new types of family income policy, it is getting easier for young families to protect themselves.*

**I**F you have a life insurance problem, it is probably this:

You have young children, your income isn't very high, and it will be some years before you can afford the type of insurance program you need.

This is the biggest and commonest of all life insurance problems. It is not insoluble in the upper income brackets, but the farther down the income scale you go, the harder it gets.

To the honor of the insurance industry, it has really been working on this problem. For years the insurance people have been called nasty names by people who were not satisfied with the progress that was being made. It was pointed out that insurance salesmen work for commissions, and tend to sell the kind of insurance that pays the biggest commissions. It was also

said that the insurance companies are in business to make a profit, and therefore design contracts that will pay them well in preference to policies that will serve consumers well.

In all this there was a measure of truth, as insurance people often admitted to themselves in their conferences. Their only answer was a pretty good one: What should we do, stop eating?

#### **Lowering costs**

Efforts were made to take the commissions out of life insurance. Savings bank life insurance, the first step in this direction, proved economical and is still a good buy in the few states (Massachusetts, Connecticut and New York) where you can get it. However, it didn't solve the low-income family's problem, because low-income families, like most other

families, generally don't buy life insurance unless some salesman twists their arms.

Group insurance proved a better answer. Most employers and many unions now provide some sort of group life insurance program covering employees. It is much cheaper than individual life, it eliminates a large chunk of overhead costs, and it covers, today, a lot of people. The credit union movement has pioneered in this field with two specialized types of group insurance—loan protection and life savings insurance, both of which are now being increasingly imitated by other institutions.

But even group insurance does not solve the basic problem. Often, the coverage provided is still too low to offer more than stop-gap protection. Again, many working people are em-



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played in groups too small to be covered.

Hence the family income type of insurance policy is being welcomed as another good and constructive step in meeting the needs of the average family.

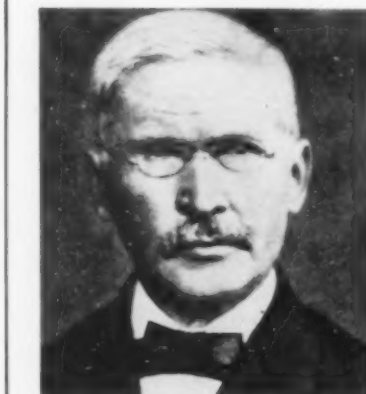
Basically, there are two kinds of insurance—ordinary life and term insurance. The main difference between them is that term insurance is meant to provide you with nothing but insurance protection paid for in exact proportion to the risk at your age, while ordinary life insurance is designed to provide you with insurance at a level rate that is averaged out to cover the risk throughout your life. This means that term insurance is very cheap when you are young—and it has been widely recommended for young couples just getting started. It also means that after a certain number of years, ordinary life begins accumulating an extra cash value, which turns it into a savings program as well as an insurance program.

But neither term nor ordinary life quite meets your needs if you are a young parent just getting a start in life. The problem that you have, which neither of these contracts quite solves, is the fact that your need for protection is greatest just at the time when your children are most dependent and you have just started payments on a house. Your income is probably low at this time, and your obligations are bigger than they will ever be again. As you grow older, you can expect that your income will grow and that your obligations will be smaller; your need for maximum protection comes right now.

### Price too high

Ordinary life insurance doesn't solve this problem for you, because it is too expensive. Over a lifetime, ordinary life insurance is economical; the rate does not rise from year to year, it can be continued all your life rather than just up to the age of 65, and if things work out well for you, you can cash it in some day and recover most of what you have paid in premiums. But the rate is high, measured against the income of a young man of 25, and he cannot buy enough of it to protect his family the way he wants to.

Renewable term insurance solves the problem a little better, but it too falls short of providing a perfect answer. It is cheaper for you at 25,



### The Father of Credit Unions

Friedrich Wilhelm Raiffeisen, mayor of a small German town and lay preacher in the Lutheran church, is considered the father of the credit union movement.

It was his earnest desire to find a Christian remedy for the problem of scarce credit that gave the credit union movement its strong service motivation.

and you can afford to buy more of it. But the rate keeps rising each renewal date, and if you actually keep it in force up to the age of 65, you will find it more expensive than an ordinary life policy on which you have claimed the cash value. You can't keep it going after the age of 65, ordinarily, and if you convert it into ordinary life sometime during your middle years, as some people do, you will find yourself paying a pretty high price for it.

Family income policies represent an attempt to combine the advantages of both these types of insurance in one package. You get a basic layer of permanent insurance of the ordinary life type, plus an upper umbrella of temporary insurance of the renewable term type. The temporary insurance is planned to decrease in amount over the years while your children are growing up and your mortgage is being paid off. Usually, too, your benefits are stated as being a certain amount of lifetime insurance protection, plus guaranteed monthly payments during the limited period of maximum risk.

To take an example: you may buy a policy that gives you \$4,000 of insurance protection for your entire life, plus guaranteed monthly payments of \$100 a month in case you die during the period that the temporary insurance is in force. The idea is that your wife will receive the monthly payments to take care of the house and children if you die within the next twenty years, but after those twenty years are up, the insurance provides only the \$4,000 of the basic protection.

A common method of selling this insurance gives you \$25 of the tem-

porary monthly-payment protection for each \$1,000 of basic lifetime protection that you buy. Other methods are used, however, and some companies sell the temporary feature as a rider to be added to permanent insurance already in force. The main reason why this is economical insurance for young couples is that the temporary protection decreases in value during the period it is in force. This makes possible a lower rate. But in some cases the rate is lowered further by reducing the cash values of the underlying permanent insurance: this is what CUNA Mutual Insurance Society has done in designing the family security policy that it now sells to credit union members.

To sum up, the advantages of the family income policy are these:

- A level rate, that does not rise from year to year.
  - A low rate, little higher than the rate charged for the same amount of permanent insurance in the form of ordinary life
  - Greatly expanded temporary protection, perhaps as much as four times as much provided by ordinary life.
  - A gradual decline in the amount of temporary protection, to match the declining obligation as children grow up and the mortgage is liquidated
  - Monthly payments, that supplement social security payments available to widows with minor children
  - A savings feature, rooted in the cash values developed by permanent insurance of the ordinary-life type
- These advantages meet so closely the needs of most credit union members that you can expect family income insurance to become increasingly popular in the years to come.



## *a Calendar for bargain hunters*

**A** KNOWLEDGE of the best times of the year to buy various necessities can be one of your most valuable aids to buying more for your money. By timing your buying for annual sales, clearances and off-season price concessions and featuring in family meals foods most abundant each month and thus best values, you can save an estimated ten to twenty per cent on family needs, and sometimes more.

The fact is, manufacturers and stores do not charge the same price all year round. One reason is, they want to spur business during slack seasons. Another is that they use a system known in the merchandise trades as "averaging markup". This means that they plan to sell so many units at a maximum price, and after skimming the cream off the market, offer the balance of their production and stocks at lower prices. For example, coats are always highest at the start of the Autumn season, and undergo successive reductions by both producers and retailers until the remainder is cleared out in mid-Winter at the sharpest reductions.

Still another reason for periodic price cutting is to clear models near the end of the model year. Thus, television sets are always cheaper in the Spring, and new cars in the Fall.

A family aware of this ebb and flow of prices can get extra buying mileage out of its income by planning its buying accordingly. For example, if next Summer you find your aging lawn mower is protesting too much, and you know you'll have to replace it by next season, you can take advantage of the fact that you can buy a standard-quality lawn mower for \$14.88 in August that will be back up to its usual \$19.00 price next Spring (an actual case). Or, why buy sheets in November when the January White sales will offer them at ten to fifteen per cent less?

To exploit these price movements, you need (1) to budget so you have at least a small revolving fund with which to anticipate your needs rather than waiting until the last minute when prices may be highest, and (2) to know when these buying opportunities occur. To that end, here is a unique shopper's calendar, which lists by month the more important periodic buying opportunities in the U.S. and Canada. It offers perhaps the most comprehensive shopping guide of this type yet developed. We suggest keeping it for reference when you plan your shopping.

This calendar is copyrighted  
and may be reprinted by  
permission only.

The next 3 pages will  
guide you to bargain sales  
month by month during 1957

## January

### "A Sale-Seeker's Paradise"



**Shoe** sales this month are one of the most valuable annual buying opportunities, offering savings of 10 to 20 per cent on famous brands and standard styles.

**Clothing** clearances offer reductions of up to 40 per cent on winter clothing for all members of the family, and especially, sharp reductions on men's coats. Boys and students' clothing and infants' wear is also reduced this month.

**January White Sales** offer discounts of ten to thirty per cent on sheets, cases, towels, blankets, tablecloths.

**Fur sales** this month mark down coats and fur accessories to the lowest levels of the year.

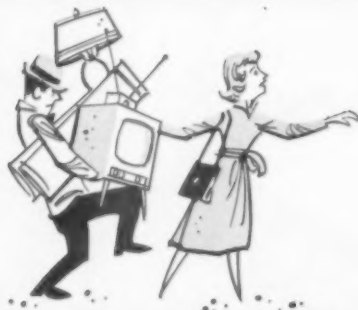
**Small appliances**, such as toasters, mixers, broilers, irons, etc., are sale-priced this month now that the gift-shopping season is ended.

**Sports-equipment** clearances offer extra value for your own needs.

**Food buys** this month include pork, now at its peak of supply and probably lowest price of the year. Also plentiful are beef, lamb and veal. Eggs are cheaper; the large ones are now best buys.

## February

### "A Time to Shop for The Home"



**Furniture, rugs and mattresses** are the big shopping opportunity this month. Reductions of ten to thirty per cent are available on most furnishings, including those of well-known designers and manufacturers which are price-maintained most of the rest of the year.

**China, glassware, housewares, curtains and drapes** also are marked down this month.

**Women's coats and furs** are cleared at their sharpest and final reductions, but

the best choices are the classic styles wearable next year too.

**Notions departments** offer reductions on sewing needs and other household accessories.

**In food**, most meats are still reasonable, lamb and veal are in their season of peak supply, eggs are close to their lowest price of the year. But fresh vegetables and produce are scarce and costlier, and wise shoppers look for values in canned and frozen produce.

## March

### "Beware The High Prices of March"



**Anniversary sales** sponsored by some stores this month offer special reductions on a variety of goods, but in general, clothing and home furnishings are priced high before Easter and the Spring buying season.

**In food**, beef is still reasonable, and eggs are near their lowest cost of the year, thus offering a valuable substitute for meat in some meals. In pork, smoked cuts are now relatively cheaper than fresh pork.

## April

### "A Better Time to Fill in Spring Wardrobes"



**Women's dresses** are more advantageously priced this month, both in special sales and post-Easter clearances.

**Millinery** is sharply reduced after Easter.

**Men's and boys' clothing** sales also

provide better buying opportunities for Spring needs.

**In food**, pork is a little cheaper this month, beef and eggs are still reasonable. Broilers and fryers are reasonable, but heavier fowl, costlier. More fresh vegetables are now arriving in the markets at lower prices.

## May

### "Look to The Linen Closet"



**White Sales** offer another opportunity to replenish stocks of sheets and towels.

**Television sets** are subject to price cutting.

**Soaps, cleaning aids** are on sale at special reductions.

**Lingerie, housecoat and handbag sales** offer special values this month.

**In food**, meats are getting more expensive, beef and eggs are still in fair supply and comparatively reasonable.



## June

"Better for Planning than Buying"

**Women's dresses** are sale-priced this month but better buying opportunities are still ahead.

**Television sets** are unloaded at sharp reductions to make way for next year's models.

**Refrigerators** are sale-priced but sharper reductions are ahead.

**In food**, fresh fruits and vegetables are becoming more plentiful. Milk and milk

products are in season of flush supply, and can be used abundantly.

**Piece-goods** clearances slash prices on summer fabrics.

**Rug-cleaning** specials are available now.

**Lumber** prices are down seasonally.

**Storm windows and screens** cost less this month and next.



## July

"A Month of Buying Opportunities"

**July shoe sales** again offer semi-annual reductions on staple styles and brands.

**Men's summer suits** and slacks undergo price cuts of twenty to thirty per cent.

**Summer dresses** are cleared this month at sharp reductions.

**Men's shirts** and other furnishings are sale-priced, offering an opportunity to replenish wardrobes at savings.

**Used cars** take a sharp price drop after July 4.

**Women's hosiery sales** provide a chance to anticipate Fall needs.

**Bathing suits** and other active sportswear are reduced.

**Refrigerators** are cleared at sizable reductions.

**Washing machines** are sale-priced this month.

**Fuel bins and tanks** can be filled at savings of five to ten per cent before the Autumn rush.

**Toiletries and drug sundries** are on sale.

**Floor coverings** undergo an initial price trimming.

**In food**, meats and the heavier fowl are costly but broilers relatively reasonable. Large eggs cost more and small eggs (pullets) are relatively better value. The costlier cuts of beef, as steaks, are especially in demand and expensive during hot weather, and the grades such as chuck suitable for pot-roasting offer comparatively good value because avoided now by many families. Fresh fruits and vegetables are now priced low.



## August

"Another Chance to Shop for Home Needs"

**Furniture, floor-covering and mattress** sales offer semi-annual reductions and special prices on most brands and designs.

**Tire sales** before Labor Day offer a chance to replace worn tires at reduced prices.

**Fur and coat** sales offer specials in advance of the season.

**Curtains and drapes** are on sale this month.

**Garden and lawn equipment** and **garden furniture** is reduced for clearance.

**Corset** sales offer savings.

**In food**, meat, especially fresh pork, is expensive, but many fresh fruits and vegetables are at peak of supply, offering bargains for current use and preserving.

**Paint, wallpaper, brushes and hardware** are available at cut rates in end-of-summer clearances.

**Summer sports equipment, camping needs and cameras** are cleared this month.

**Fall fruits** (pears, plums, grapes and apples) are arriving in markets in seasonal abundance and close to their low price for the year.



## September

"Prices Are Highest at Season's Start"



**Housewares, china and glassware** are among the few items offered at reductions this month.

**Car prices** are trimmed to clear this year's models.

**In food**, sales of canned goods offer an opportunity to stock up on staples as the grocery trade clears last year's pack to get ready for this year's. The Autumn harvest, too, provides many good buys in fresh fruits and vegetables. Meat is costly this

month, especially pork, lamb and veal. Time to switch to pullet and medium eggs.

**Batteries, spark plugs, mufflers**, other car equipment is specially-priced by many retailers in pre-Winter sales.

**Piece-goods** specials are available on cottons and fabrics suitable for children's garments.

**Tools, hardware and ladders** are specially-priced by many stores.

## October

"New Cars for Less"



**Car prices** are under pressure as dealers try to unload the last of this year's models.

**Coats** for women and children start coming down in price with the Columbus Day sales.

**Lingerie and housecoats** are on sale this month.

**In food**, high grades of beef are still expensive but grass-fed beef is more abundant this month so look for specials on hamburger and pot roasts. A number of fresh fruits and vegetables are still plentiful at low prices. "Medium" eggs are now best value, and heavy fowl undergoes a price drop.

## November

"Better A Tardy Coat Buyer Than Prompt"



**Women's coats and dresses** take another markdown, with Veterans Day sales featuring many specials.

**Blankets** go on sale.

**In food**, beef and pork are getting

cheaper and ease the strain on food budgets; heavier fowl becomes best-buy in poultry, and large eggs are better value.

**Piece-goods** clearances cut prices of Fall fabrics.

## December

"Do Your Gift Shopping Late"



**Toys and other gift merchandise** are marked down in mid-December.

**Women's and girls' coats** are heavily price-cut in mid-Winter sales.

**Men's and boys' winter suits and coats** are marked down.

**In food**, beef, pork, lamb and veal all are cheaper this month, large eggs are now better buys than mediums, some canned and frozen vegetables become cheaper in relation to fresh.

The Credit Union Bridge



Bettmann Archive

The stone money of the Isle of Yap has become famous among studious money-lovers. Made by people of the island, it could be carried on poles except when too heavy.

## *make your own* **MONEY!**

*Primitive people have found they could  
make perfectly useful kinds of money  
out of shells, stones, and other materials.  
They also found its value remarkably stable.*

**W**HILE experts wrestle with problems of inflation, it is interesting to look back into history and discover that primitive peoples had their own inflation controls built into their currencies. Their economies were much simpler than ours, of course, and simple means of controlling the amount of money in circulation sufficed.

Actually, the coins and paper money we use today are a fairly recent invention. Surprisingly varied are the articles which in the past have been used as a medium of exchange. And the variety of things that have been used for money is today expressed in our language; if you should speak of paying "cash", of receiving a "salary", or of accumulating "capital", your language is expressing some of the history of money.

Perhaps the most widely used medium of exchange in the world has been sea shells, a fact which probably gave us our slang expression,

"shell out". The very first money in the world, as far as we can learn, were cowries—shells about an inch long, either white or straw colored. They came from a small mollusk found in the shallow spots of the Indian Ocean, and were used by all the inhabitants of that geographical area. Marco Polo reported the use of cowries, and they were found in the ruins of Nineveh.

Often, control of primitive currencies rested on using materials difficult to find, and on time needed for manufacture. Cowries were relatively easy to find, and had a low value. Here are a few materials used in primitive currencies much harder to procure.

In Malaita, one of the Islands of the Solomon group, porpoise teeth were the favorite kind of money.

The natives of Fiji were said to have employed whale teeth for currency.

On one of the Santa Cruz Islands, money was made from the red head-

dress of a tiny jungle bird. The red scalp of woodpeckers was used by still another primitive people.

But the list of materials used for currency in the past is almost endless.

Bars of salt were, and still are, used for money in Ethiopia. Caesar's legionnaires, as part of their pay, were given money to buy salt—and this was the origin of our word "salary".

In Egypt, for about 600 years money was made of glass.

China has used a wide variety of materials for currency—and has made a particularly large contribution to money in the form we know it today.

In China, many centuries ago, agricultural implements reached a high development as money; small tools were used as currency for a long period. So were other articles of common use, such as shirts and knives.

Around the 12th century B.C., it occurred to the Chinese government

that for purposes of exchange it would be an advantage to substitute for articles in common use as money, small metal models. The government began manufacturing small metal coins; one resembled a shirt, another was in the form of a knife.

While this represented a considerable advance over use of the actual commodities as a medium of exchange, it was found that the coins themselves were somewhat inconvenient in shape. So, after a time, these coins were made round, and pierced with a hole in the center so that they could be strung. These coins became known as "cash".

Then, in the reign of Wu-Ti, B.C. 140, the first paper money in history was issued. It was made of white stag skin. Using such material, of course, imposed a good inflation control; for the size of the herd of Imperial deer put a limit to sudden inflation, while at the same time leaving a scope for gradual expansion to keep pace with the growth of population and trade.

In Homer's day, both in Greece and ancient Europe, cattle were widely used as a medium of exchange; a commodity might be valued at ten cattle, or a tenth of a cow. The custom persisted in various areas through history, and still exists to this day in a few places. This fact accounts for much of our monetary language. The Latin word "pecunia", which means money, is derived from the word "pecus", which means cattle. Wealth in the cattle world was, and still is, reckoned by the head—"per capita"; and that accounts for our use of the word "capital". The word "cattle", or "chattel", we have broadened to mean all property.

### Solid currency

Perhaps the strangest objects to become money are found on the Island of Wap, one of the Caroline Islands. This medium of exchange is called a "fei".

Feis are large, thick stone wheels, ranging in diameter from a foot to 12 feet. In the center is a hole, so that the smaller feis may be slung on a pole and carried by two men. Size and quality determine the value. Of course, the larger feis are too heavy to be moved. Therefore, if a seller receives in payment a fei too heavy to be moved, he is quite content to accept bare acknowledgment

of ownership. Everyone now knows it is his fei, and the coin remains undisturbed on the former owner's premises.

In colonial America, for about a century, currency as we know it today was not the major medium of exchange.

Of course, currency from the mother countries was used in the colonies, and "foreign" currency was made here. The first Canadian paper currency was made by cutting up playing cards. The U.S. government did not authorize a coin until 1787—a cent piece, with the slogan "Mind your business," which was attributed to Ben Franklin. It was struck by a private contractor, however, and the first U.S. government mint was not

Left: Metal has been used in making money for many centuries, but not always in the form of coins.



Right: Wampum, the shell money of the American Indians, served as the principal medium of exchange among white colonists for over a century.



Gordon Gill Collection

opened until 1792.

What, then, was largely used as a medium of exchange in colonial America? Commodities—and the Indian money which had many names, but today is popularly remembered as "wampum."

Among the early settlers, all through the 17th century, furs were used as money, with beaver skins the highest denomination. A good gun cost a pile of beaver felts as high as the gun was long. In the early days of Tennessee, government officials collected salaries in animal skins; the governor's salary was 100 deer skins a year.

Farm produce was another form of currency, and one in which taxes were frequently levied. Cattle were often used to pay taxes—and as a result, farmers and tax collectors often quarreled over the acceptability of lean cattle. Until 1670 Massachusetts had a law making both corn

and cattle the equivalent of money.

Virginia used tobacco as currency. In 1642 an act was passed forbidding the making of contracts payable in money, and setting a penalty of three years at hard labor for refusing to accept tobacco as currency. Thus tobacco became virtually the only money in that state.

Other colonies used still other commodities. Rhode Island used wool as money, and South Carolina as late as 1720 made rice legal tender for payment of taxes.

However, the Indian shell money, wampum, is in many respects the most interesting form of currency used in colonial America.

Wampum was the currency of the Atlantic coast tribes, used by Indians

as far north as Saskatchewan, and westward to the Rocky mountains. There was a large expenditure of labor in making the bead-coin, and its purchasing power was relatively high.

There were two kinds of wampum. Both were elongated beads. But one was white, the other purple or brownish-black.

The white variety was most plentiful and of inferior value. It was commonly made from the pear-shaped, coiled shell of a univalve known as a periwinkle, or conch. The word "wampum" signified white.

The more valuable shell coins were made from the quahaug, a large clam found on the eastern shore. On the inside of the shell is a deep purple or brownish-black scar, indicating the point of muscular attachment—fishermen call it the "eye". The Indians broke this dark spot out of the shell, and with it fashioned their more



valuable coins. It was worth, on the average, twice as much as the white variety. In fact, the white was often dyed to counterfeit it.

Though the beads were often used singly, the usual manner was to string them; these strings might or might not be woven into plaits about as broad as the hand, and called wampum belts.

Wampum was a true medium of exchange—real currency. A colonial writer said of it: "This is the money with which you may buy skins, furs, slaves, or anything the Indians have; it being the Mammon (as our money is to us) that entices and persuades them to do anything and part with anything they possess except their children for slaves. As for their wives, they are often sold and their

province, paying the Dutch for their produce and commodities in wampum, and carrying off Dutch guilders as well. This might have been tolerable, had not the Yankees set up secretly a kind of wampum mint at Oyster Bay, where they turned out an interior kind of wampum, "coining up all the oyster banks."

Says Irving: "Now this was making a vital attack upon the province in a double sense, financial and gastronomic." Upon discovery of this operation, the whole Dutch community was aroused, and an "oyster crusade" mounted against the Yankees.

The English were routed out of Oyster Bay, and the Dutch carried a vast quantity of oysters and clams, taken from the Yankees, back to New

Amsterdam. We do know, however, how much the Indians' own economies demanded. It is estimated that when the Spaniards discovered California they found wampum in circulation averaged about \$100 to each male Indian. This equalled the value of two grizzly bear skins, or three ponies, or the price of two wives.

For over a century, wampum maintained a fairly constant value as currency in colonial America. But how was its value maintained?

One factor was that among the Indians themselves, the supply was never increased beyond the demands of trade. Manufacture was tedious, and an Indian rarely made a single bead more than he wanted for his immediate necessities.

Again, among the tribes on both coasts, an enormous waste and destruction of shell money was always going on, owing to the widespread custom of burying or burning all of his or her wealth with each man or noted woman who died.

The Indians were particular as to the quality and size of the beads, and made this a measure of value. Wrote a 1640 commentator: "When these beads are worn out, so that they cannot be strung neatly and even on the thread, they no longer consider them as good. Their way of trying them is to rub the whole thread full on their noses; if they find it full and even, like glass beads, then they are considered good, otherwise they break them and throw them away."

Furthermore, the Indians would accept no change in the value of wampum by others. Around 1673 true wampum had become rather scarce, because Indians had begun hoarding it and also dispersing it to remote tribes. So the Dutch Council issued an edict enhancing its legal value 25 percent. But a contemporary wrote that the Indians "bought and sold at the current rate, without the least variation for circumstances either of time or of place; and now they will hear nothing patiently of loss or gain, or allow us to heighten the price of our goods, be our reasons ever so strong."

How well all these devices held the value of wampum fairly constant may be seen by this fact: in the colonial America of 1743, a shot bag full of wampum, when compared with the same shot bag full of silver, out-valued the silver by ten percent.



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daughters violated for it. With this they buy off murders; and whatsoever a man can do that is ill, this wampum will quit him of, and make him, in their opinion, good and virtuous, though never so black before."

The first traders who came to New York and New Jersey adopted this currency. They accepted it as pay for their merchandise, and used it to buy furs. Thus wampum quickly became a standard of values, the currency of the colonists to a great extent with each other as well as with the Indians, and even a legal tender.

The early burghers of New Amsterdam not only used wampum, but made it. Washington Irving, in his *Knickerbocker History*, gives a humorous account of its importance and some of the difficulties it gave rise to.

During the administration of William Kieft, English traders—already called Yankees—poured into the

Amsterdam. Remarks the author: "A great banquet was served in the Stadthouse with the clams and oysters taken from the enemy; while the governor sent the shells privately to the mint and had them coined into Indian money, with which he paid his troops."

Forms of shell money other than wampum were also used in colonial trade. Most notable of these was "hiqua", a true currency used by tribes of the northern Pacific coast; made of tusk shells, it was much more elaborately made than wampum. With the advent of the Hudson Bay Company, hiqua disappeared as currency wherever the company operated, and values were reckoned in blankets. South of the trading posts, however, hiqua was used as money into the 1800's.

But to return to wampum, which was the most important shell money in colonial trade, it is not possible to learn how much of it was in cir-

*does INFLATION*

*threaten your savings?*



**A**SSUMING the danger of further increases in the cost of living in the years ahead, what steps should an ordinary wage earner take to protect the future buying power of the dollars he is able to save from today's paycheck?

After fifteen years of punishment from the inflation evil, it is hardly strange that millions of Americans have learned to question the soundness of their individual savings plans.

Many have seen their pre-World War II savings shrink to barely half their original value. With the nation dedicated to maintenance of high level employment and continued expansion of the economy, they have bitterly concluded that prosperity itself is the forbearer of inflation.

Obviously only a prophet could attempt to give a final formula for prudent saving. Even under "normal" conditions the most sensible formula of saving varies according to the means of the saver, as well as his goal and purpose.

Generally, though, this much can

be said to savers: Among some of the best qualified analysts who have studied the economic outlook there is more confidence today than at any time in recent years. They argue persuasively that prosperity need not be synonymous with inflation; and that given wise management of our affairs there is no good reason why savers cannot look ahead confident that the buying power of their dollars will be protected.

#### **No disaster foreseen**

Even if the price level does continue to edge upwards, they see little possibility—short of war or a sharp change in the political climate—that increases will be comparable with the inflationary disasters that occurred after World War II.

At the very worst they expect the changes will be moderate and gradual, so that—for example—earnings on savings accounts in any one year will more than offset any shrinkage in buying power.

Some economists concede that a

degree of inflation is almost inevitable in periods of high level employment and expansion. Yet there are some like Dr. Arthur Burns, outgoing chairman of the President's Council of Economic Advisors, who feel it is possible to avoid even modest losses in the buying power of the dollar.

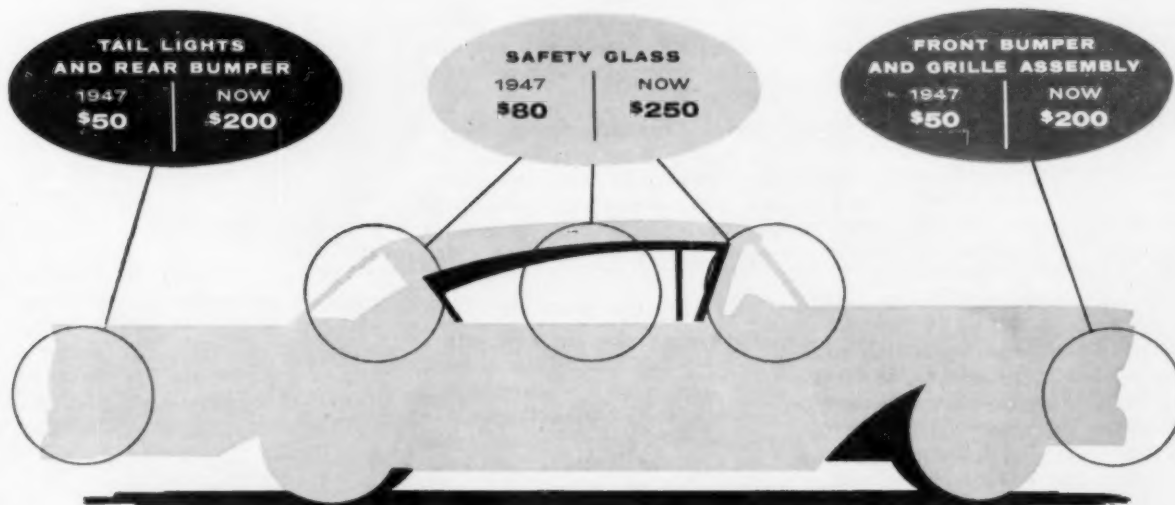
"It is a disservice to both truth and social responsibility to describe our times as an age of inflation," he chides. "It can be an age of either inflation or of general price stability, depending on the courage that private citizens and government officials bring to their responsibilities."

At the moment, it is true, there is widespread fear in Washington that we may once again be on the verge of a new upturn in prices after three years of stability.

Career government people who study the price index say stability was achieved during the past three years because upward pressures from commodities and services were offset by sharp drops in the price of food, particularly meat. Also the arrival of

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the discount house squeezed the retail mark-up for autos and appliances, offsetting the price hikes imposed by manufacturers.

Now the slack is gone. Because of government programs, farm prices have already leveled off and will probably be turning upwards. In the durables fields where retailers have reduced their margins beyond the danger point, manufacturers are continuing to raise prices.

But even those who say this analysis points to a new bulge in the price line hastily add that 1957's price increases certainly will not be in the same category as the "break-throughs" that occurred during periods of military mobilization.

At least two-thirds of the big loss in the buying power of the dollar in the past fifteen years is traceable to deficit financing by government during World War II and the Korean campaign. Though economists throw up their hands in the face of such pressures, they refuse to be defeatist about our ability to control "creeping inflation of the type we face at this time.

Through an upsurge in technology, managerial planning and capital investment, Dr. Burns believes, industry will be able to increase productivity, and reduce cost per unit considerably beyond the "normal" gain of earlier years, offsetting the substantial increases in wages which have been granted recently. This will be particularly true where employers obtain 3 to 5 year wage contracts, which lend themselves to long-range planning by management.

### Competition helps

New methods of distribution, such as the discount house, point up the opportunities for more efficiency in the distribution of goods. And vast increases in expenditures for research are paying off in new techniques, as well as new products, which are certain to make further contributions to the drive for lower costs.

Among the most important areas of gain, says Dr. Burns, is the human area. Because our citizens and public officials are more sophisticated about the cause and effect of inflation, we can be hopeful that the temptation to adopt inflationary policies will be resisted.

Businessmen are learning to consider the long-run consequences before passing price increases to con-

sumers. Labor leaders are increasingly conscious of the damage their followers suffer from inflation and are willing to settle for something less than the traffic will bear. Government has mustered the courage to stand up to political pressures, and to follow through on "tough" credit policies which seek to postpone some of the spending which individuals and business would like to make in periods of peak prosperity.

Given this line of reasoning—that the inflation threat remains, but that it will be resisted by business, labor and government—what should the wage earner decide about the management of his personal affairs?

### Envy the speculators?

From experience, the wage earner knows inflation hits hardest at fixed assets such as savings accounts and insurance. Many conscientious savers are smarting today because more venturesome neighbors "struck it rich" by plowing their savings into more volatile investments like real estate and common stocks.

Yet there is an answer for those who reproach themselves with this kind of an example. Savings accounts were never meant to compete with the windfall gains—or perhaps losses—inherent in many other types of investment. In recent years more flexible forms of savings paid off; presumably they may continue to pay off for those who can afford the risks. At the same time, the owners of savings accounts can count their blessings, too.

How much of this money, they may well ask, would have been retained at all, were it not for the systematic savings habits encouraged by savings institutions? What value should the saver place on the fact that he was able to sleep soundly, secure in the knowledge that his capital was fully protected from loss? What about the continuing payment of interest and dividends, which surely offset a good portion of the buying power lost during the upsurge in the cost of living?

In the future, say the experts, the balance will tip even more favorably toward the holders of savings accounts. Much of the opportunity for "windfall profit" in real estate and common stocks may be behind us. Meanwhile the savings account offers a better rate of return than ever before; and the principal is fully pro-

tected against any downturn in the business cycle.

Having said this, the fact still remains that the choice of savings medium varies with the individual need of the saver. What are his needs? Is he concerned with old age security? With the education of his children? The ultimate purchase of housing or durables? Accrual of resources for future business investment, or for emergencies?

As it looks now, consumers should anticipate gradual increases in the prices of automobiles and "big ticket" appliances, and time their purchase of these items according to need.

The cost of services—including education—represents another area of future price increase. In planning for future education of children, wage earners should recognize that fees and tuition may be increasing; but so also will be the opportunities for scholarship aid and assistance.

### Housing trend upward

One of the most dangerous areas of price increase is in housing, where costs have spiraled unchecked at a rate of 5 to 6 percent annually. In the inflationary housing market, home owners are in a more favorable trading position than those who doggedly confine themselves to apartment living, since "old homes" tend to "ride the inflation" upward with the new. Diagnosis: Since there is no sign that building costs will be checked in the foreseeable future, delay in acquiring at least a "first home" inevitably means less favorable purchasing position later.

Finally, what about personal security? Wage earners who are under social security are off to a good start so far as ultimate retirement is concerned — particularly for married couples where the wife also has earned full social security rights.

Where the retired couple owns its own home, free and clear, social security covers most of the urgent necessities. Add some supplemental income from industrial pensions, or an individual life insurance plan, and the couple can cover the remaining necessities and perhaps some extras.

But what security is there for those whose sole resource is a pension check barely adequate to cover the most pressing needs? Systematic savings through a savings institution, or perhaps in government bonds, sup-



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*from CUNA's president*

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Melvin H. Widerman

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## *in the NEWS*



### **CUNA and affiliates urged to find over-all manager**

**T**HE quarterly meetings held in November of the Credit Union National Association and its affiliates grappled chiefly with the problem of finding a way of appointing a managing director acceptable to all parties, in the interest of harmony.

The big surprises of the week emerged from a hastily scheduled conference of league representatives, assembled at the suggestion of the New York Credit Union League. This meeting, attended by representatives of thirty-seven leagues, came up with several recommendations and backed them with strong language:

- CUNA and CUNA Mutual must reconcile their differences before next May or expect decisive action by the annual meeting of the CUNA national board of directors.
- CUNA Mutual Insurance Society's directors should have their terms cut from four to two years, half of them to stand for election annually.
- Paid personnel of leagues should not hold office or membership in any national policy-making groups.
- The economic functions of CUNA Supply Cooperative should be studied by a CUNA executive committee subcommittee.
- All persons nominated for the CUNA Mutual board should be members of the CUNA national board.
- All three organizations should be under the direction of one managing director.

Served with these recommendations in an atmosphere of urgency, the boards of CUNA and CUNA Mutual sat down in a joint meeting and canvassed possibilities for over-all managing director. Only one suggestion proved acceptable to both groups—J. Deane Gannon, director of the Bureau of Federal Credit Unions. The position was offered to him; after two weeks consideration Gannon declined the offer. Further meetings of the two boards are scheduled during January, to continue the search for a suitable managing director. Meanwhile H. B. Yates continues as managing director of CUNA and CUNA Supply, while C. F. Eikel, Jr., serves as managing director of CUNA Mutual.

Other actions were taken during the week. A committee was appointed to study the economic functions of CUNA Supply Cooperative. Charles G. Hyland, CUNA veteran, announced that he would retire as comptroller on the first of the year. Progress was reported on the study of CUNA-owned-and-operated auto insurance and bonding programs.

The legal and legislative committee reported that it was submitting several recommendations on credit union legislation to the Senate Banking Committee. It was contesting two proposed amendments to the Federal Credit Union Act that had been put forward by the Federal Bureau: one

authorizing the Director of the Bureau to limit loans of individuals credit unions by regulation, the other forbidding directors to serve on credit or supervisory committees. The CUNA committee also asked the Senate Banking Committee to extend the time period on loans by Federal credit unions from three to five years, to raise the unsecured loan limit to \$1,000, and to improve procedures for converting credit unions from state to federal charters and vice versa.

### **Prices and interest rates still pressing through ceiling**

**T**HE smell of future inflation became a little stronger during the month.

Again a rise was reported in the consumer price index, boosting it half a percentage point from mid-September to mid-October. Rising auto and fuel prices were chiefly responsible, but other commodities were rising too. A few days later, the Federal Reserve Board reported substantial rises in wholesale commodity prices—up 7 percent since mid-1955. The Suez crisis was putting pressure on the prices of oil and gasoline. Wages in industry tied to the consumer price level were being adjusted upward.

There are signs that optimism about the ability of the United States government to control inflation, is fading. The upward trend seems to be more powerful now than it seemed three or four months ago. The Federal Housing Administration has raised the rate on FHA mortgages from 4½ to 5 percent, which suggests that Washington now accepts the fact that interest rates are going to stay at a high level for some time to come.

So watch for more members pinched by the cost of living, a better-than-ever comparison between credit union rates and rates charged by others, increasing pressure for controls on consumer credit.

### **Fight over credit controls intensifies in Canada**

**O**N the other hand, there is enough supply to meet demand in every area of production—which means there is no real possibility of run-away inflation.

This was the message of the Canadian president of General Motors to Canadian newspapers in a press conference last month.

The auto industry, being the first target of those who want controls slapped on consumer credit, is mobilizing its arguments and firing them off vigorously.

In Canada, people haven't embraced installment buying quite so enthusiastically as in the United States. Interest rates are higher, automobile prices are higher, and  
(Continued on page 30)



## New Family Security Insurance Policy Ready for Credit Union Families

Now in a Single Policy—Insurance and  
Guaranteed Monthly Income

by **PETER J. LAPCEWICH**, Manager, Individual Life Sales Department  
CUNA Mutual Insurance Society

**A** BROAD new plan of Family Security Insurance is now available to credit union families, through CUNA Mutual. It provides permanent insurance plus monthly payments from time of death, until twenty years after policy was issued. The wife and children of the insured are thus more adequately provided for in those expensive and difficult "growing-up" years. The credit union family can plan for, and depend on, an income needed to supplement Social Security survivorship benefits, and other programs.

This is one more great stride in CUNA Mutual's continuing program to bring credit union members the kind of protection and security that is most helpful to them. CUNA Mutual has previously pioneered and created such progressive and most needed policies as LOAN PROTECTION, LIFE SAVINGS, and EXTRAORDINARY LIFE INSURANCE.

### A NEW POLICY WITH MANY EXCLUSIVE FEATURES

CUNA Mutual's new policy has many advantages not usually found in insurance planning . . . such "peace of mind" benefits as Family Protection Income, Mortgage Protection, Permanent Life Insurance, and Disability Premium Waiver.

From the time of death of the policyowner, the beneficiary receives a guaranteed monthly income until 20 years have passed from the date the policy was issued. To help meet the difficult period of adjustment after the family has been raised, a lump sum payment of the face value of the policy will also be paid to the beneficiary at the end of the income paying period.

This new policy is an ideal way to free the family of mortgage payment worries, should the breadwinner be taken away.

Each unit of this policy provides coverage to protect a \$5,000 mortgage. For larger mortgages additional units or fractional units of Family Security insurance should be obtained.

Basically, the Family Security Contract is a life insurance program developed for credit union people. The monthly income benefits simply improve an assured permanent life insurance that can be continued when the family responsibilities have been reduced (at the end of 20 years), and at the same original low premium rate.

For a small additional premium payment, a disability premium waiver benefit may be added. It provides that, if the policyowner is totally and permanently disabled before age 65 (in some states, before age 60), CUNA Mutual will continue the policy without further premium payments.

### HERE'S HOW IT WORKS

The policy is designed as a unit plan. Each unit provides \$1,000 of permanent insurance plus payment of a \$25 monthly income to the beneficiary from the date of death of the policyowner until 20 years have passed from the date the policy was issued. At the end of the income paying period, a \$1,000 lump sum is paid to the beneficiary.

Instead of the monthly income payments, the beneficiary may receive a lump sum settlement. The \$1,000 of permanent insurance plus the \$25 monthly income is equivalent to \$5,207 of insurance protection at the date the policy is issued. The amount of insurance decreases on a monthly basis, but if the policyowner is living after the first 20 years, he may continue the permanent insurance of \$1,000 and at the same low premium rate.

To get a better idea how this policy

might help your family, consider this specific example. A man age 30 decides his family needs a monthly pay check of \$100 to be added to other monthly benefits (such as Social Security) payable at his death. This would be four \$25 monthly income units of the Family Security Contract. The annual life premium is only \$104.68. This will assure his family \$100 a month payable at his death until 20 years have passed from the date of issue . . . plus \$4,000 in cash at the end of the monthly paying period.

In this example, the lump sum settlement on the date of issue is equivalent to \$20,828, consisting of permanent insurance and monthly decreasing term. At the end of the first 20 years, if the policyowner is still living, he can retain the \$4,000 of permanent insurance at the same low annual premium of \$104.68. The policy continues to build up cash and paid-up values and gives an opportunity to continue to participate in future dividends.

### FAMILY SECURITY AVAILABLE

This newly created policy is offered by CUNA Mutual to credit union members between the ages of 20 through 45. As many as five units may be bought. Fractional units are available but the minimum policy will be for one full unit.

For further information, including rate schedules, write the CUNA Mutual Insurance Society, Madison 1, Wisconsin, or Hamilton, Ontario.

*This article submitted as an advertisement and paid for by CUNA Mutual Insurance Society.*

Canadians are just a little more cautious anyway about signing up for monthly payments.

Hence there is a little more receptiveness in Canada toward the idea that controls are necessary.

As the auto industry and other defenders of consumer credit enlarge their arguments against controls, it will be instructive to see how they make out. Canadian events in this area may foreshadow events in the United States.

## DEATH OF JOHN E. ROE

John E. Roe, counsel for CUNA Mutual Insurance Society, the Credit Union National Association and CUNA Supply Cooperative, died in Madison, Wisconsin, December 3. He had been in ill health since the beginning of the year. His death was reported as suicide. He was fifty years old.

Widely known in the credit union movement for his decade of service to the national organizations, Roe was a member of the firm of Roberts, Roe, Boardman, Suhr and Bjork. In addition to his credit union service, his practice included extensive government, cooperative and labor work. In 1944 he was general counsel to the alien property custodian in Washington, and later he became chief of a special mission to investigate alien property and cartel connections in postwar Europe.

He graduated from the University of Wisconsin Law School in 1930. In 1932 he was campaign manager for Wisconsin's governor, Philip F. LaFollette. He served as counsel to several Wisconsin state agencies during the thirties, and acted as conciliator in a number of labor disputes during the forties.

## COMING EVENTS

January 27—**Utah** State Credit Union League, Inc., annual meeting, Hotel Utah, Salt Lake City, Utah.

February 5-6-7-8-9—**CUNA** and affiliates' quarterly meetings, Shoreham Hotel, Washington, D. C.

February 9—**Maryland** Credit Union League annual meeting, Lord Baltimore Hotel, Baltimore, Maryland.

February 28-March 1-2—**Ontario** Credit Union League annual meeting.

March 8, 9—**Tennessee** Credit Union League annual meeting, Andrew Jackson and Hermitage Hotels, Nashville, Tennessee.

March 1-2—**North Dakota** Credit Union League annual meeting, Memorial Building, Jamestown, North Dakota.

March 8-9-10—**New Mexico** Credit Union League annual meeting, Albuquerque, New Mexico.

March 9—**Connecticut** Credit Union League annual convention, Hotel Statler, Hartford, Connecticut.

March 22-23 — **Kentucky** Credit Union League annual meeting, Phoenix Hotel, Lexington, Kentucky.

March 22-23 — **Mississippi** Credit Union League annual meeting, Heidelberg Hotel, Jackson, Mississippi.

March 23 — **Rhode Island** Credit Union League annual meeting, Sheraton-Biltmore Hotel, Providence, Rhode Island.

March 29-30—**Credit Union League of Alberta** annual meeting, High River, Alberta.

April 4-5-6—**Oklahoma** Credit Union League annual meeting, Oklahoma Biltmore Hotel, Oklahoma City, Oklahoma.

April 5-6—**Nebraska** Credit Union League annual meeting, Paxton Hotel, Omaha, Nebraska.

April 5-6—**Virginia** Credit Union League annual meeting, Hotel Chamberlin, Old Point Comfort, Fort Monroe, Virginia.

April 5-6—**Colorado** Credit Union League annual meeting, Antlers Hotel, Colorado Springs, Colorado.

April 5-6-7 — **New Jersey** Credit Union League annual meeting, Traymore Hotel, Atlantic City, New Jersey.

April 12-13—**District of Columbia** Credit Union League annual meeting, Hotel Statler, Washington, D. C.

April 12-13—**Illinois** Credit Union League annual meeting, Sherman Hotel, Chicago, Illinois.

April 12-13—**Georgia** Credit Union League annual meeting, Dinkler-Plaza Hotel, Atlanta, Georgia.

## PROTECTION POINTERS

# 3

*suggestions for handling cash*

- 1 All receipts in excess of \$100 should be deposited in the bank within 48 hours. More frequent deposits may be advisable, but you should never delay beyond the 48-hour maximum.
- 2 If you keep funds in a safe which is not exclusively the credit union's, make certain that unauthorized persons do not have access to the portion which you occupy.
- 3 It is essential that all individuals handling cash from the time it is received until the time it is deposited be duly appointed employees of the credit union. Some credit unions make use of the independent commercial messenger service retained to carry the funds of the parent organization. When this practice is adopted the credit union should request from the messenger service a written statement acknowledging full responsibility for credit union funds. This is important to assure coverage under the surety bond.

If funds do disappear, the credit union is protected up to one million dollars against losses that occur after it is covered by the Million-Dollar Blanket Bond No. 576. This bond protects against the dishonest acts of officials, officers, and employees as defined: burglary and theft, forgery and alteration, misplacement and mysterious disappearance, fire damage to money and securities, vandalism and malicious mischief. It may also provide faithful performance of duty coverage.

Your credit union deserves the comprehensive protection provided by the Million-Dollar Form 576 Blanket Bond. If you don't have it, write for complete details.



The 100 Percent  
Blanket Bond  
No. 576  
is written by  
EMPLOYERS  
MUTUALS  
OF WAUSAU

## Cuna Bonding Service

MADISON, WISCONSIN



When the work load jumped 50% and something had to be done—

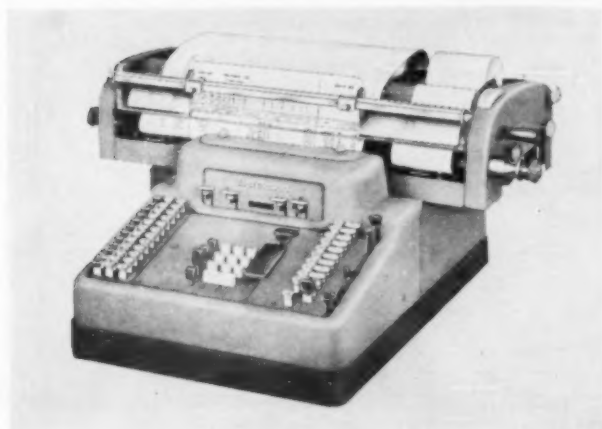
## NAVY FEDERAL CREDIT UNION CHOSE UNDERWOOD ACCOUNTING MACHINES

SUNDSTRAND



**"OUR CONFIDENCE IN UNDERWOOD WAS  
WELL PLACED," says W. A. Hussong,**

*Manager, Navy Federal Credit Union, Washington, D. C.*



for greater efficiency  
at low cost!

Improved operating efficiency became a vital necessity for Navy Federal Credit Union when shares and loans increased over 50% in a single year. To handle new streamlined procedures, they needed versatile, high-speed automatic accounting machines—at less than prohibitive cost. The machine that met all of their requirements—and more—was the Underwood Sundstrand Credit Union Accounting Machine.

Navy Federal's Manager, Mr. W. A. Hussong, has this to say about the Underwoods: "We are particularly pleased that this installation has enabled us not only to meet an ever increasing workload, but has effected a substantial reduction in the unit cost of posting and balancing."

Mr. Hussong also credits the Underwood machines with helping to bring about a smooth changeover from window posting to back-office posting. Some membership objection to discontinuance of the pass book was anticipated, but acceptance of the new system was immediate. "Hardly a day has passed," Mr. Hussong says, "without a member commenting upon the speed and efficiency with which his account is serviced."

If you'd like to know more about Underwood Sundstrand Credit Union Accounting Machines and their applications, just call your nearest Underwood Representative. Or write: Underwood Corporation, One Park Avenue, New York 16, N. Y.

Accounting Machine Division

# underwood CORPORATION

ONE PARK AVENUE, NEW YORK 16, N. Y.

## CUNA OFFERS LOW-COST EUROPEAN TOURS



Interested in seeing London . . . Paris . . . Rome . . . Copenhagen . . . ?

—in a boat trip on Loch Lomond, seeing the changing of the guards at Buckingham Palace, visiting French painters at Barbizon, going to mass at St. Peter's in Rome, touring Kronborg Castle in Copenhagen where Hamlet's ghost still appears on suitable nights . . . ?

—in discussing credit union problems with officials of the Raiffeisen and Schulze-Delitzsch officials in Bonn, Germany, in seeing how credit unions work among employees of international organizations in Rome and Paris . . . ?

—in shopping for silverware in Copenhagen, leather goods in Florence, watches in Switzerland?

These features and many more are offered credit union members who participate in the 1957 CUNA European Tour plans for which are being completed by the CUNA World Extension Department. This year's tour which is the fourth will leave New York on July 11 and return on August 1 after visits to Scotland, England, France, Italy, Switzerland, Germany and Denmark. The cost of the tour is \$935 a person. Tour participants who wish to attend the Congress of the International Cooperative Alliance in Stockholm, Sweden, may do so at additional cost. And as an added bonus feature, you can remain abroad longer than the scheduled three week period without additional charge for transportation back.

### WHAT YOUR MONEY BUYS

The 1957 CUNA European Tour is especially arranged for credit union members. It has all the features of a conventional European tour, but also the added attraction of an opportunity to learn about credit unions and similar organizations in Europe. The itinerary is based on experience from previous CUNA European tours and offers the best available in sight-seeing, educa-

tion and recreation. This is your chance to combine your yen for foreign travel with your interest in the credit union movement—and to do it within the limits of an economy-minded budget.

The cost of \$935 entitles you to round trip flight via Scandinavian Airline System, accommodations in comfortable hotels, two meals a day, freedom from worry about tips and luggage and a variety of special sight-seeing trips with local guides supplied at every point. A credit union tour leader accompanies the group from departure at New York and throughout the tour.

### SPECIAL FEATURE ADDED

In addition to sight-seeing in Scotland, England, France, Italy and Denmark a specially chartered deluxe motor coach takes the group from Rome to Dusseldorf, Germany via Florence, Pisa, Genoa, Milan, the Swiss Alps, the Rhine Valley, Heidelberg and Bonn.

Technical arrangements for the 1957 CUNA European Tour are handled by the American Travel Association which CUNA joined in 1956. The ATA will also arrange itineraries for tour participants who wish to spend time in Europe in addition to the scheduled CUNA Tour.

### HOW TO APPLY

If the idea of the trip interests you—if you would like to know more about this exciting adventure in world understanding—just clip the coupon below and send it to the CUNA World Extension Department, Post Office Box 431, Madison 1, Wisconsin. You will receive full details on the day-to-day itinerary, passport requirements, how much luggage is allowed, etc.

If you plan to take the Tour you should submit your name as soon as possible. Even if your plans are only tentative, it is wise to make your application now—flight and other reservations are a lot easier to cancel than to obtain during the summer tourist rush to Europe.

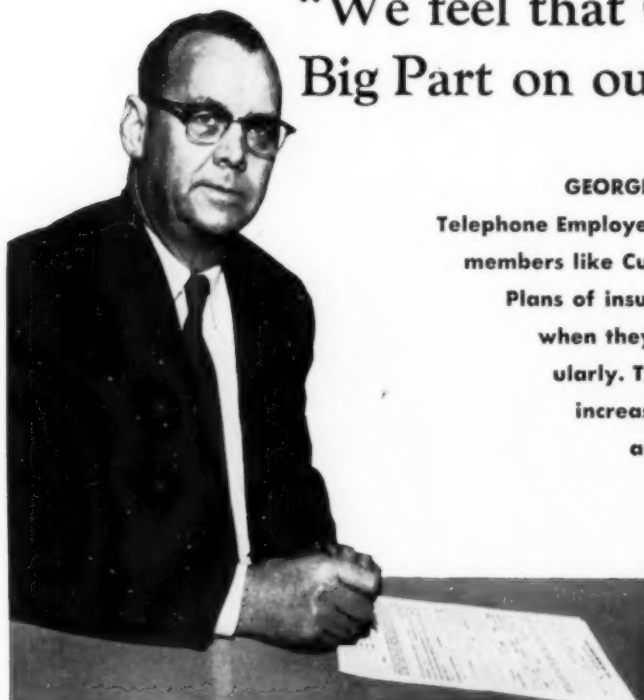
### CUNA World Extension Department CREDIT UNION NATIONAL ASSOCIATION P. O. Box 431, Madison 1, Wisconsin

Gentlemen:

Please send me full  
details on the  
CUNA Credit Union  
Tour to Europe.

Name.....  
Address.....  
City..... State.....  
Credit Union.....

# "We feel that Cuna Mutual plays a Big Part on our credit union team"



GEORGE R. VANDERWALL, President of the Saginaw Telephone Employee's Credit Union, Saginaw, Michigan . . . "Our members like Cuna Mutual's Loan Protection and Life Savings Plans of insurance. They have a greater sense of security when they borrow, and a strong incentive to save regularly. This confidence has resulted in greater growth, increased assets, increased loans, more stable share accounts, and a larger share ownership by all credit union members. We sure do like Cuna Mutual on our team."

"My Credit Union has helped me out many times," says Jerry Reitler, an active member of the Saginaw Employee's Credit Union, and a supervising foreman of line operations for the telephone company. "In 1939 I was badly in need of an automobile . . . my credit union came to my aid. Since that time, they have assisted with several other cars, and have also helped me purchase a home and furnish it. Believe me, it's a real comfort to have a credit union like ours to depend on, especially when I know my family is being protected with Loan Protection Insurance, and that my savings are earning extra life insurance."



William B. Cubbage, treasurer of the Saginaw Telephone Employee's Credit Union, summed up his feelings about the Cuna Mutual Insurance Society when he said, "Cuna Mutual sure gives every possible consideration on the claims we submit. They pay claims based on real credit union philosophy. It makes my job easier too, when I can tell the widow of a deceased member that their loan is 'Paid-in-Full'."

Mr. Cubbage, and his credit union officers, have helped their credit union grow from a humble beginning to a million and a quarter dollars in assets. It has become a model of good credit union operation and efficiency. Mr. Cubbage is shown discussing a loan with one of his credit union members. His assistants, Nancy Keirnan and Beverly Klopff, are shown in background.

YOUR FUTURE SECURITY IS WITH

**CUNA MUTUAL INSURANCE SOCIETY**  
MADISON, WISCONSIN • HAMILTON, ONTARIO

SERVING THE  
WESTERN  
HEMISPHERE



UNIVERSITY MICROFILMS  
313 N FIRST ST  
ANN ARBOR MICHIGAN

EXCHANGE

**for me?**



**YES, FOR YOU! CREDIT  
UNION MEMBERS CAN HAVE  
INSURANCE WITH THEIR SAVINGS  
... AND SAFER BORROWING, TOO!**

### Loan Protection INSURANCE

SECURITY AND PEACE-OF-MIND FROM THIS GREAT CREDIT UNION SERVICE. Loan Protection Insurance was pioneered by credit unions for credit union people through the CUNA Mutual Insurance Society, so that you can *Borrow Safely*.

*It Protects the Family* . . . they won't be left in debt if the borrower dies or is totally and permanently disabled. Your credit union covers you against this danger with Loan Protection Insurance. It has helped many families by paying their debts. It has helped many a credit union member that has been crippled in an accident . . . and it's helped co-makers who would have had to pay their friend's loans.

You don't have to sign any applications, or take an examination, or pay one cent of extra charges. Your loans are insured, and your credit union pays the bill.

Loan Protection is just another reason why you should borrow from your credit union when you need money.

### Life Savings INSURANCE

UP TO \$1,000 IN EXTRA INSURANCE PROTECTION AT NO EXTRA COST TO YOU. When you save money in your credit union, it can be earning Life Insurance for you! You don't need to apply, or take physical examinations, (and once insured, savings remain insured regardless of future illnesses) or to pay one cent of individual premiums. Every penny you save up to \$1,000 will earn insurance automatically as long as you are in satisfactory health when you put your money in the credit union.

If you die, your heirs get your savings plus all the insurance your savings have earned.

LIFE SAVINGS insurance was pioneered by the credit union movement through CUNA Mutual Insurance Society, and only credit union members can get it! It's another great credit union service . . . worth telling to everybody you know!

. . . and you can have further "PEACE-OF-MIND" and protection for your family with CUNA Mutual's low cost individual life insurance. Use our personal insurance counseling service at no obligation to you.

**CUNA MUTUAL INSURANCE SOCIETY**

MADISON, WISCONSIN



HAMILTON, ONTARIO